

A Couple of Concerns regarding Investment in Cambodia

Views of Japanese Investors in Thailand

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Japanese Investors in Thailand

One of the Largest Japanese Business

Communities in the World

1. Current position of Japanese investors in Thailand based on BOI approval
2. JCCB compared to other foreign chambers of commerce in Thailand
3. JCCB compared to other Japanese chambers of commerce abroad
4. Example of employment created by Japanese businesses in Thailand

1. Current Position of Japanese Investors in Thailand based on BOI Approval

Year	2003	2004	2005
Total Approved Number	563	734	782
Japan's Position	260	350	354
Percentage(%)	46%	48%	45%
Total Approved Amount (Million Baht)	212,589	317,291	325,827
Japan's Position	97,597	125,932	171,796
Percentage(%)	46%	40%	53%
Source: Board of Investment as of January 12, 2006			

2. JCCB Compared to Other Japanese Chambers of Commerce Abroad

	Country	Number of Members
1	Japan	1,251
2	Taiwan	981
3	U.S.A.	635
4	England	568
5	Germany	460

As of January 2006 for JCCB

3. JCCB Compared to Other Foreign Chambers of Commerce in Thailand

	Location	Numbers of Members
1	Shanghai	1,464
2	Bangkok	1,251
3	Singapore	751
4	Honolulu	650
5	Hong Kong	611

Source: International Department, Japanese Chamber of Commerce

4. Examples of Employment Created by Japanese Businesses in Thailand

- 433,300 = estimated number of employees employed by JCCB, (1,251 members)
- 308,300 = estimated number of employees employed by 620 of JCCB manufacturing members

Surveys on JCCB Members' Views on Investment in Cambodia

- Feature: designed for the Trade and Investment Promotion Workshop in Cambodia and Laos
- Method: Questionnaires sent by e-mail to the top 100 JCCB members (in terms of employees)
- Period: September 4, 2006 to September 11, 2006

Initial Results

- 9% = rate of response to the Questionnaire (9 out of 100)
- 5% = rate to answer the Questionnaire (5 out of 100)
- 4% = Rate to answer no investment plan in Cambodia or Laos

Question = How should we evaluate the initial Results ?

Composition of the Questionnaire

4 Parts of Fixed Questions and 1 Part of Comments

1. Regarding hard infrastructure
2. Regarding institutional issues or administration systems
3. Regarding investment facilitation or promotion measures
4. Regarding industrial policy
5. Specified comments to the government

Answers to the Questionnaire

1. Regarding Hard Infrastructure

Issues of most concern (Select 2 Issues)		Answers (out of 5)
1	Industrial estates	4
2	Electricity supply	1
3	Water supply	0
4	Telecommunication	1
5	Logistics	4

Answers to the Questionnaire (continued)

2. Regarding Institutional Issues or Administration Systems

Issues of most concern (Select 3 Issues)		Answers (out of 5)
1	Corruption	2
2	Over restrictive custom measures, unclear tariffs, etc	5
3	Import restrictions	0
4	Custom procedure time	4
5	Protection of intellectual property	2
6	Reliable economic statistics	1
7	Human resources	0

Answers to the Questionnaire (continued)

3. Regarding Investment Facilitation or Promotion Measures

Desired Reforms (Select 3 Issues)		Answers (out of 5)
1	Reform of legal system	4
2	Clarify and relax foreign investment regulations	4
3	Simplification of application such as one stop services	0
4	More attractive incentives for investment	4
5	Simplification of visa and work permit procedure	1
6	Enlarge application and numbers of SEZ	2
7	Clarification of land hold	0

Answers to the Questionnaire (continued)

4. Regarding Industrial Policies

Policies to be most important (Select 2 Issues)		Answers (out of 5)
1	Concrete industry fostering policy by Government	4
2	Hard infrastructure	5
3	Public assistance to grassroots industries	0
4	Human resource development	1
5	Strengthen relationship between private sector and public sector	0

Answers to the Questionnaire (continued)

5. Specified Comments to the Government

- The roads near the border with Thailand and other areas are not in good condition and should be improved
- Considering the size of Cambodian market, export to neighboring countries is important. Thus, simple customs procedures are needed and trade barriers should be eliminated
- Cambodia should allow Thai commercial carriers (Trucks) drive into Cambodia while Thai allows to do so (as Thai and Laos do bilaterally)

Conclusions:

“Rome was not build in a day”

- Only 394 JCCB members in 1985
- By 1990 JCCB membership nearly doubled to 793
- JCCB membership increased constantly and reached 1,000 in 1995
- Even in the midst of the Asian economic crisis in 1997, the membership was 1,141 and still rising overall

Let's start discussion to create fruitful results !